

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

UNSTARRED QUESTION NO:1246
ANSWERED ON:26.11.2007
PRICES OF AGRO PRODUCTS
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Will the Minister of AGRICULTURE be pleased to state:

- (a) whether the Government has constituted any Board/Committee to determine the prices of various agro-products during the last three years;
- (b) if so, whether representatives of the farmers have also been included in the said Board/Committee;
- (c) if so, the details in this regard; and
- (d) the criteria laid down for determining the prices of the agro-products?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI KANTILAL BHURIA)

(a)to(d): No such Board/Committee has been set up recently. The Agricultural Prices Commission, precursor to the present Commission for Agricultural Costs and Prices (CACP), was set up in 1965. CACP, while formulating its recommendations on price policy, considers a number of important factors, inter-alia, which include cost of production, changes in input prices, input/output price parity, trends in domestic and global market forces, inter-crop price parity, effect on industrial cost structure, effect on cost of living, and parity between prices paid and prices received by the farmers.

The cost of cultivation/production taken into account includes all paid out costs, such as, those incurred on account of hired human labour, bullock labour/machine labour (both hired and owned) and rent paid for leased in land besides cash and kind expenses on use of material inputs like seeds, fertilizers, manures, irrigation charges including cost of diesel/electricity for operation of pump sets, etc. Besides, cost of production includes imputed value of wages of family labour and rent for owned land. The cost also covers depreciation of farm machinery and buildings.

The Commission for Agricultural Costs & Prices is a seven Member Commission consisting of a Chairman, Member Secretary and 5 Members (2 official and 3 non-official). The non-official members represent the farming community.